

STATE OF VERMONT
PUBLIC SERVICE BOARD

EEU-2010-06

In re: EEU Demand Resources Plan

Order entered: 9/9/2010

ORDER INITIATING WORKSHOP PROCESS AND NOTICE OF WORKSHOP

I. INTRODUCTION

In this Order, the Public Service Board ("Board") initiates a workshop process pursuant to 30 V.S.A. §§ 209(d) and (e) to develop the first Long-Term Demand Resources Plan ("DRP"). The DRP was initially described in our November 24, 2009, Order in Docket No. 7466 (the investigation into the Energy Efficiency Utility ("EEU") structure) and, pursuant to our direction, the framework of the DRP is being refined in further proceedings in that Docket.¹ While those proceedings are not yet complete, it is important that we initiate this workshop process now in order to enable the completed DRP to be incorporated into various electric utility planning efforts in 2011. Our goal is to complete this workshop process and issue a Board order setting goals, budgets and performance indicators in May 2011.²

II. BACKGROUND

We opened Docket 7466 to consider a petition filed by the Vermont Department of Public Service ("DPS") regarding the EEU structure. On November 24, 2009, we issued an Order determining that the EEU structure should be changed from the current contract model to an Order of Appointment model. On June 25, 2010, we issued a further Order providing, among other items, that the DRP should be a statewide plan that identifies separate budgets for each EEU, and that the remaining details of the DRP should be resolved in the context of ongoing

1. Docket 7466, Order of 11/24/09 at 65-66. This Order and other documents from Docket 7466 are posted on the Board's website at: <http://psb.vermont.gov/docketsandprojects/eeu/7466>.

2. This is the same target completion date as that stated in a January 15, 2010, memorandum from the Clerk of the Board to the parties to Docket 7466 and the EEU e-mail service list, regarding the schedule for the Demand Resources Plan proceeding.

discussions related to the development of a comprehensive document that would describe the EEU structure.³ On August 20, 2010, we issued an Order concluding that Initial Overall Performance Assessments of the two current providers of EEU services (Vermont Energy Investment Corporation ("VEIC") and the City of Burlington Electric Department ("BED")) indicate that there is no cause to solicit alternative providers at this time, and that we would issue Orders of Appointment for both VEIC and BED. Currently, the parties to Docket 7466 are finalizing a draft Order of Appointment for VEIC and a document called "Process and Administration of Order of Appointment." This latter document includes a description of the DRP and the process to be used to develop it.⁴

As currently being discussed by the parties in Docket 7466, the DRP would include year-by-year values for statewide demand-side electricity resource acquisition savings goals and the associated budgets by calendar year for a twenty-year period, and year-by-year values for statewide heating-and-process-fuels savings by calendar year for a ten-year period. Budgets and performance indicators for each EEU would also be identified in the DRP, along with budgets for the DPS evaluation of EEUs. The DRP would also include, to the extent authorized by the Board, consideration and development of budgets for geographically targeted energy efficiency services, and may include consideration of the potential for both electro- and non-electro-technologies. The DRP proceeding would also consider the EEUs' compensation structure, including the description of, and budgets and any fees and/or performance indicators for, both resource-acquisition and non-resource-acquisition activities to be performed by an EEU, and the amount of compensation that should be held-back to serve as a performance award, if applicable.

As contemplated by the parties to Docket 7466, the DRP would be developed through a Board process that would be guided by the objectives and criteria of 30 V.S.A. § 218c, 209(d), 209(e), 202(a) and other applicable sections of Vermont statutes and prior Board orders. Any

3. Docket 7466, Order of 6/25/10 at 11 and 31. Note that subsequent to the issuance of this Order, the "Comprehensive Structure Document" was renamed "Process and Administration of an Order of Appointment."

4. The most recent version of the document titled Process and Administration of an Order of Appointment is posted on the Board's website at:
<http://psb.vermont.gov/sites/psb/files/docket/7466EEUStructure/roccessandAdminofOrderofAppDPS2010-07-21clean.doc>

interested party would be able to participate in this process. The Vermont Department of Public Service ("DPS") would propose resource acquisition budgets and savings goals for three- and 20-year periods. An EEU and any other interested party may also propose budgets and goals. The Board would provide an EEU, the DPS, Vermont utilities and other stakeholders an opportunity to submit comments and participate in a technical workshop prior to adopting a DRP.

The schedule in Docket 7466 calls for a "final" version of the document that describes the DRP to be filed on September 3, 2010, along with an explanation of the extent to which the document is a consensus document among some or all parties to that proceeding. Parties' comments and reply comments on the document are due September 17 and 24, 2010, respectively.

Thus, the framework of the DRP will be determined in Docket 7466. However, since the creation of the first DRP is expected to take many months and it is desirable for the completed DRP to be incorporated into various electric utility planning efforts in 2011, it is necessary to begin the development of the first DRP now. This development will occur in this new workshop process that we are initiating today.

III. NOTICE OF WORKSHOP AND FILING DEADLINE

We will conduct a workshop commencing at 1:30 P.M. on Wednesday, September 22, 2010, at the Public Service Board Hearing Room, Third Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont. The purpose of the workshop will be to establish a schedule for this workshop process.

In order to facilitate this discussion, we are providing an opportunity for interested persons to file proposed schedules on or before September 17, 2010. When developing proposed schedules, persons may assume that the DRP will include the elements proposed in Docket 7466 and described above or if, in Docket 7466, they are recommending different elements be included in the DRP, they may propose a schedule consistent with those recommendations. The schedule in this workshop process will be amended, if necessary, after the Board rules on the document describing the DRP in Docket 7466. However, the target end date for this workshop process will not be changed.

Scheduling proposals should keep in mind that we are likely to designate a hearing officer for this workshop process, although we anticipate attending at least one workshop at which interested persons would present their proposed budgets, savings goals, and other performance indicators. One paper copy of scheduling proposals should be filed with the Clerk of the Board, and an electronic copy should be sent to the EEU e-mail service list. Joint proposals are acceptable.

SO ORDERED.

Dated at Montpelier, Vermont, this 9th day of September, 2010.

<u>s/ James Volz</u>)	
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<u>s/ David C. Coen</u>)	
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PUBLIC SERVICE
BOARD
OF VERMONT

OFFICE OF THE CLERK

FILED: September 9, 2010

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.